



Governor  
Janet Napolitano



Governor  
Thomas Vilsack



Governor  
Kathleen Sebelius



Governor  
John Baldacci



Governor  
Jennifer Granholm



Governor  
Bob Holden



Governor  
Edward Rendell



Governor  
Gary Locke



Governor  
Bob Wise



Governor  
Jim Doyle

May 18, 2004

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

Last week, we received a response from Stephen Friedman, Assistant for Economic Policy, to Governor Napolitano's February 25, 2004 letter and our April 7, 2004 letter to you concerning record-breaking gasoline prices.

We are encouraged to know that you share our concerns about gas prices. Unfortunately, your Administration's letter falls far short of resolving the matter, let alone addressing the concerns of American consumers. Gasoline prices have continued to increase during the past several months, with no apparent end in sight. In fact, since the date of Governor Napolitano's February 25 letter, the average price per gallon has risen more than 23 cents nationwide, including a 10-cent spike last week alone. All told, prices have risen 43 cents per gallon since January 1. In addition, small businesses and commercial drivers are struggling to keep up with the cost of diesel fuel, and the cumulative impact of these price increases has fueled inflationary growth and hurt our economy.

More frustrating to consumers is the fact that they face these higher prices at the same time that five of the top gasoline companies are reporting an average profit increase of 90 percent, and four of the top refineries are averaging increased profits of 70 percent.

Mr. Friedman's letter states "the Secretary of Energy and the Federal Trade Commission are prepared to conduct inquiries, where appropriate, into significant prices increases." It begs the question: how high must prices go to trigger an inquiry? Even if you did not believe that the nearly 20 cent per gallon increase from January 1, 2004 to February 25, 2004 justified such an inquiry, the subsequent 23-cent average price increase -- in the face of record industry profits -- plainly does.

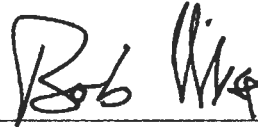
We strongly encourage you to direct the Department of Energy to conduct a comprehensive investigation of the entire gasoline pricing structure, the profits currently enjoyed by the industry, and the cost being passed on to consumers. Not only might such an inquiry reveal illegalities, it will also help consumers understand why they are being forced to pay record prices while the industry is enjoying record profits.

The consumers across the country need these actions as soon as possible.

Sincerely,



Governor Janet Napolitano  
Arizona



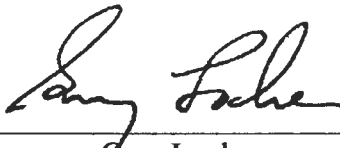
Governor Bob Wise  
West Virginia



Governor Kathleen Sebelius  
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/s/

Governor Bob Holden  
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Governor Gary Locke  
Washington

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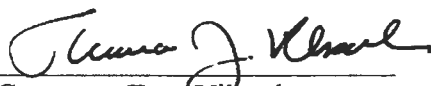
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